



6/30/04

## MESSAGES FROM THE HOUSE

**SB 831 (George)**

**SB 832 (Hammerstrom)**

SB 831 would include the “Michigan Pharmaceutical Best Practices Initiative” in the Public Health Code. This program was created under former Governor Engler to control the costs of the Medicaid program’s prescription drugs and assure continued access to pharmaceutical services at fair and reasonable prices. This bill would include the establishment and maintenance of a preferred drug list, a prior authorization and appeal process.

The Pharmaceutical Best Practices Initiative has resulted in annual savings to the Medicaid program of about \$40 million per year, according to DCH, through a preferred drug list, supplemental rebates, and prior authorization requirements that limit the use of more costly prescription drugs. Advocates argue that it makes sense to codify its provisions to be sure that consistent standards and funding levels are set so that it may successfully continue.

- George 1 (1 amend) was adopted [no RC].
- The Senate concurred with the House changes to SB 831, as amended by the Senate [RC 491: 36 yes, 0 no]. Immediate Effect was given to the bill.

## FINAL PASSAGE

**SB 143 (Birkholz)**

**SB 184 (Garcia)**

**SB 1001 (Hardiman)**

**SB 1003 (George)**

**HB 5463 (Robertson)**

**HB 5653 (Nofs)**

SB 143 would provide a tax break from the sales tax for vehicles donated by a nonprofit under IRS Code 501(c)(3) to people who meet whatever eligibility requirements are set by the non-profit.

- THOMAS 1 (7 amends) was adopted [no RC]. Working poor would meet eligibility requirements.
- SB 143 passed [RC 475: 36 yes, 0 no].

SB 184 would provide a tax break from the sales tax for vehicles transferred from a church that received the vehicle as a donation, to someone whose household income is below 200% of the Federal poverty guidelines.

- THOMAS 1 (9 amends) was adopted [no RC]. Working poor would meet eligibility requirements.
- SB 184 passed [RC 476: 36 yes, 0 no].

SB 1001 would provide a tax break from the sales tax for vehicles provided by FIA to someone who: needs the car for work, is financially able to pay for insurance, is on public assistance, has no other means to get to work, who has demonstrated an ability to maintain employment, and who needs the car to retain his/her employment or accept a job with of at least 20 hours per week.

- SB 1001 passed [RC 477: 36 yes, 0 no].

SB 1003 would provide a tax break from the income tax for vehicles donated to a qualified organization that intends to provide the vehicle to someone who: needs the car for work, is financially able to pay for insurance, is on public assistance, has no other means to get to work, who has demonstrated an ability to maintain employment, and who needs the car to retain his/her employment or accept a job with of at least 20 hours per week.

- SB 1003 passed [RC 478: 36 yes, 0 no].

HB 5463 would provide a tax break from the Single Business Tax for vehicles donated to a qualified organization that intends to provide the vehicle to someone who: needs the car for work, is financially able to pay for insurance, is on public assistance, has no other means to get to work, who has demonstrated an ability to maintain employment, and who needs the car to retain his/her employment or accept a job with of at least 20 hours per week.

- HB 5463 passed with IE [RC 479: 36 yes, 0 no].

HB 5653 would provide that a charity may exclude the sale of an automobile from its calculation of proceeds, thereby getting a write-off of the sales tax that would otherwise be due on the sale.

- HB 5653 passed with IE [RC 480: 36 yes, 0 no].

**SB 850 (Allen)**

**SB 851 (Allen)**

SB 850 would mandate that, as of October 1, 2004, all state contracts and payrolls be paid electronically. Support: State Universities of Michigan, MI Concrete Paving Assn., County Road Assn., MI Bankers Assn., MI Retailers' Assn.

- SB 850 passed [RC 473: 36 yes, 0 no].

SB 851 would allow an employer to pay an employee by cash, check or draft or electronic transfer (direct deposit). The employer would make the choice. If electronic transfer is mandated, the employee would be given six (6) weeks to make the necessary arrangements with a financial institution.

- Allen 1 (S-2) was adopted [no RC].
- SB 851 passed [RC 474: 36 yes, 0 no].

**SB 1285 (OLSHOVE)**

SB 1285 would further the goals of the Michigan Land Use Leadership Council by requiring the DMB to issue directives regarding State agencies' development and use of new facilities, the effect of new facilities on urban sprawl, and the use of existing infrastructure. By adopting policies consistent with the Council's recommendations, the State could optimize its use of existing infrastructure, help to reduce urban sprawl and preserve green space, and encourage private-sector redevelopment of urbanized areas.

- SB 1285 passed [RC 481: 36 yes, 0 no].

#### **HB 5021 (Walker)**

HB 5021 permits the governor to enter the state in the Wildlife Violator Compact. The bill provides that citations issued to nonresidents of another participating state shall be treated in the same manner as though the person were a resident of the issuing state. In addition, the bill allows the state to recognize the suspension of hunting or fishing license that is issued in another state, thereby permitting the state to prohibit that person from obtaining a license here.

Support: DNR, MI Hunting Dog Federation, MI Farm Bureau, MI United Conservation Clubs, MI United Sportsmen's Association, MI Bow Hunters Association.

- HB 5021 passed with IE [RC 485: 36 yes, 0 no].

#### **HB 5174 (Robertson)**

#### **HB 5175 (Nofs)**

#### **HB 5176 (Farhat)**

#### **HB 5177 (Ehardt)**

#### **HB 5178 (Casperson)**

HB 5174-78 would increase the penalties for knowingly adulterating, misbranding, removing, or substituting a drug or medicine so as to render the drug or medicine injurious to a person's health, and would provide for administrative sanctions against a licensed health professional who violated this prohibition.

HB 5174 would prohibit a person from knowingly or recklessly adulterating, misbranding, removing, or substituting a drug or medicine so as to render that drug or medicine injurious to an individual's health. A person who violates this provision would be guilty of a felony punishable by imprisonment not exceeding 4 years and/or a \$5,000 fine.

- HB 5174 passed with IE [RC 486: 36 yes, 0 no].

HB 5175 would add to the list of reasons that warrant disciplinary action against a health professional knowingly and recklessly adulterating, misbranding, removing, or substituting a drug or device knowing that it would be used, or selling, offering for sale, or possessing for sale, or manufacturing for sale an adulterated or misbranded drug. If the subcommittee found existence of a violation, the penalty would be license revocation, a fine, and restitution.

- HB 5175 passed with IE [RC 487: 36 yes, 0 no].

HB 5176 would make the state sentencing guidelines conform to provisions in HB 5175 regarding adulterating a drug or medicine. A violation that resulted in: 1) no personal injury, serious impairment, or death would be a felony with a maximum term of imprisonment of 4 years, 2) a personal injury would be a felony with a maximum term of imprisonment of 10 years, 3) a serious impairment of a bodily function would be a felony

with a maximum term of imprisonment of 25 years, 4) death would be a felony with a maximum term of imprisonment of life.

- **HB 5176 passed with IE [RC 488: 36 yes, 0 no].**

HB 5177 would make the state sentencing guidelines conform to provisions in HB 5174 and HB 5178 regarding adulterating a drug or medicine. A violation that resulted in: 1) no personal injury, serious impairment, or death would be a felony with a maximum term of imprisonment of 4 years, 2) a personal injury would be a felony with a maximum term of imprisonment of 10 years, 3) a serious impairment of a bodily function would be a felony with a maximum term of imprisonment of 25 years, 4) death would be a felony with a maximum term of imprisonment of life.

- **HB 5177 passed with IE [RC 489: 36 yes, 0 no].**

HB 5178 would exclude from parole eligibility a prisoner under a life sentence for adulterating a drug or medicine when it resulted in death, or mixing, coloring, staining, or powdering a drug or medicine with another ingredient when it resulted in death.

- **HB 5178 passed with IE [RC 490: 36 yes, 0 no].**

#### **HB 5598 (Caswell)**

HB 5598 would amend the Michigan Employment Security Act, which governs the State's unemployment benefits system, to exclude from the term "employment" service performed in an AmeriCorps program.

- **HB 5598 passed with IE [RC 484: 36 yes, 0 no].**

#### **HB 5930 (Robertson)**

HB 5930 would adopt National Association of Insurance Commissioners model provisions to offer certain protections to parties that enter derivative transactions with insurance companies.

- **HB 5930 passed with IE [RC 483: 36 yes, 0 no].**

#### **HB 5931 (Robertson)**

HB 5931 allows insurers to use a more modern mortality table. The average lifespan has been increasing and newer tables are needed to reflect those changes. Use of the newer tables will allow more accurate assessments of risks and better and fairer pricing for insured individuals.

- **HB 5931 passed with IE [RC 482: 36 yes, 0 no].**

## **THIRD READING**

#### **SBs 544-52 (Garcia)**

SB 544 would: 1) Require that a manufactured home park developer use a municipality's water and sewage service system, if accessible, and 2) Prohibit a municipality from charging a manufactured home park more than it charged other customers for water and sewer services.

- Committee 1 (S-2) was adopted.
- Garcia 1A (1 amend) was adopted.
- SB 544 was moved to 3<sup>rd</sup> Reading.

SBs 545-52 would amend state law to refer to a "manufactured home" rather than a "mobile home", a "manufactured home park" rather than a "mobile home park", and the "manufactured housing commission" rather than the "mobile home commission".

SB 546:

- Committee 1 (S-1) was adopted.
- SB 546 was moved to 3<sup>rd</sup> Reading.

SB 547:

- Committee 1 (S-1) was adopted.
- SB 547 was moved to 3<sup>rd</sup> Reading.

SB 552:

- Committee 1 (S-1) was adopted.
- SB 552 was moved to 3<sup>rd</sup> Reading.

SBs 545, 548, 549, 550, 551:

- SBs 545, 548, 549, 550, and 551 were moved to 3<sup>rd</sup> Reading. No amendments.

### **SB 817 (Toy)**

SB 817 would create the "Organ and Tissue Donation Education Fund"; and require the Secretary of State to provide an opportunity to make a donation to the Fund in conjunction with the issuance of a driver license. The bill also would require the Secretary of State to provide an applicant with the opportunity to make a donation of at least \$1 to the Fund, upon the issuance of an operator's or chauffeur's license.

Support: Gift of Life, Henry Ford Transplant Institute, Kidney and Tissue Transplant Assn., Donate Life Coalition of MI, U of M Medical Center.

Oppose: Secretary of State.

- Committee 1 (S-2) was adopted.
- SB 817 was moved to 3<sup>rd</sup> Reading.

### **SB 1115 (George)**

SB 1115 would: 1) Require charitable organizations and professional fund-raisers to register with the Attorney General (rather than be licensed by the Attorney General), and provide for the registration of vendors, 2) Establish registration fees and a late fee, 3) Require a charitable organization or professional fund-raiser to include financial information and information about its directors, officers, and employees with its registration, and 4) Allow a charitable organization to receive up to \$25,000 (rather than \$8,000) in a fiscal year before it is subject to the registration and reporting requirements.

- Committee 1 (S-2) was defeated.
- George 2 (S-3) was adopted.

- SB 1115 was moved to 3<sup>rd</sup> Reading.

## **SB 1129 (BERNERO)**

SB 1129 would add HIV/AIDS to the list of 42 infectious diseases that clinical labs already are required to report to the Department. Under the bill, if any person or governmental entity obtained from a test subject a result indicating an HIV infection, or obtained from a test subject who already had been diagnosed as HIV-infected a test result ordered for the management and surveillance of the infection or the detection of the HIV infection or AIDS, the person or governmental entity would have to report within seven days to the appropriate local health department or, at the local health department's request, to the DCH, specified information, if available, including the name, date of birth, race, sex, address, and telephone number of the test subject.

Support: Michigan HIV/AIDS Council (MHAC), HIV/AIDS Alliance of MI (HAAM), the former Persons living with AIDS/HIV taskforce, DCH.

- Committee 1 (S-1) was adopted.
- SB 1129 was moved to 3<sup>rd</sup> Reading.

## **SB 1269 (Garcia)**

## **SB 1270 (Garcia)**

### **Military Family Relief Fund**

Income tax check-off for taxpayers to contribute \$1 to a fund to benefit Michigan's veteran nursing homes and families of veterans called up for military service.

SB 1269:

- Toy 1 (S-1) was adopted.
- SB 1269 was moved to 3<sup>rd</sup> Reading.

SB 1270:

- Toy 1 (S-2) was adopted.
- SB 1270 was moved to 3<sup>rd</sup> Reading.

## **HB 4338 (Ruth Johnson)**

## **HB 4947 (GLEASON)**

## **HB 5376 (Caswell)**

HB 4338 would provide a mechanism to recall intermediate school board members. If a majority of the boards, plus one, that elected or appointed the ISD board member adopts resolutions requesting removal of the member. The Senate substitute includes the requirement that beginning July 1, 2005, all officers of an intermediate school board be members of the board. The substitute includes recall provisions and removal from office by the Governor. The Senate substitute does not provide the House language about a three year period before a removed member can serve again. The Senate substitute does not include the provisions regarding contract approval by the CEO of the Detroit Public Schools.

- Committee 1 (S-2) was adopted.
- CHERRY 1A (1 amend) was defeated. This would have allowed required ISDs to set up policies regarding out-of-state travel.
- Kuipers 2 (S-3) was adopted.

- HB 4338 was moved to 3<sup>rd</sup> Reading.

HB 4947 would require that school districts designate by resolution their representative to the body that will elect intermediate school district members. The designation must be made not earlier than 21 days before the election date. The resolution must be considered at at least two public meetings and be adopted by a majority of the board. The resolution shall identify the candidates the board supports for each position. The electoral body shall meet in an open meeting. The bill allows that the representative designated by the local school districts does not have to be a member of the local school board.

- Committee 1 (S-1) was adopted.
- HB 4947 was moved to 3<sup>rd</sup> Reading.

HB 5376 would: 1) Require an intermediate school district (ISD) board to obtain competitive bids before beginning construction on a new or existing school building, 2) Extend to an ISD construction bid the requirements that presently govern bids sought by a school board or a public school academy (PSA), 3) Require an ISD board, a school board, and a PSA board of directors to post an advertisement for a bid on either the Department of Management and Budget website or a website maintained by a school organization, in addition to posting an advertisement in a newspaper, 4) Require any advertisement for bids to state that the bid had to be accompanied by a statement disclosing any familial relationship existing between the bidder and any member of the school board, ISD board, or PSA board of directors, the school superintendent, the ISD superintendent, or the chief executive officer of the PSA. And, 5) Increase the cost of a construction project that triggers the competitive bid requirements from \$12,500 to \$17,932.

- Committee 1 (S-1) was adopted.
- Kuipers 1A (2 amends) was adopted.
- HB 5376 was moved to 3<sup>rd</sup> Reading.

### **HB 5665 (Bradstreet)**

HB 5665 require the Department of Management and Budget (DMB), when purchasing wood or paper products, to give preference to products that derive from sustainably managed forests or procurement systems. The requirement would begin October 1, 2006. The bill states that paper product and forest product companies purchasing raw materials from or through third parties could reasonably rely on the representations of landowners, vendors, or brokers as to whether the raw materials derived from sustainably managed forests or procurement systems. "Sustainably managed forests or procurement systems" would mean forests or procurement systems that are certified by an independent third party using one or more of eight certification programs named in the bill.

- Committee 1 (S-1) was adopted.
- HB 5665 was moved to 3<sup>rd</sup> Reading.

### **HB 5823 (Wenke)**

### **HB 5824 (Wenke)**

House Bills 5823 and 5824 would exempt real and personal property designated as an innovations center in a certified technology park from general property taxes. Currently, there is an innovations center at Western Michigan University, which the city created primarily to keep research jobs in Kalamazoo when Pharmacia sold to Pfizer and many of the pharmaceutical industry jobs were lost. According to the sponsor's office, they believe four or five others are "in the works" but could not get more specific information from the Michigan

Education Development Corporation (MEDC) (there are 11 technology parks across the state). The bills were amended in committee to provide a local unit of government “opt-in” provision.

Support: WMU.

Oppose: Michigan Municipal League, Michigan Association of Counties.

HB 5823:

- Committee 1 (S-1) was adopted.
- HB 5823 was moved to 3<sup>rd</sup> Reading.

HB 5824:

- Committee 1 (S-1) was adopted.
- HB 5824 was moved to 3<sup>rd</sup> Reading.

### **HB 5979 (Palsrok)**

HB 5979 would make violations of Michigan Children’s Protection Registry Act also violations of Public Act 53. The new registry act would be created by Senate Bill 1025 as a means of preventing minors from being sent an electronic message that advertises or otherwise links to a message that advertises a product or service that a minor is prohibited by law from purchasing, viewing, possessing, or otherwise receiving. The two bills are tie-barred, meaning that neither would take effect unless both are enacted.

- Committee 1 (S-1) was adopted.
- HB 5979 was moved to 3<sup>rd</sup> Reading.

## **RESOLUTIONS**

### **SR 261 (Hammerstrom)**

SR 261 urges the Governor to appoint a task force on cervical cancer awareness in Michigan.

- SR 261 was adopted [no RC].